

Meeting Date: 02/04/04  
Agenda Item: 5  
**Subject:** Independent Audit and Accounting Matters

## **STAFF REPORT**

Meeting Date: 02/13/04  
Agenda Item: 6

To: BEACON Board of Directors  
From: Executive Director  
Date 02/02/04

**Subject:** Independent Audit and Accounting Matters

## **REQUIRED ACTION:**

- a. Approve independent audit of BEACON by outside auditors.
- b. Authorize the Auditor-Controller to make the adjustments where the fiscal year 2002-03 actual year-end closing figures differ from the fiscal year 2003-04 budget estimates of financing sources and other accounting adjustments.

**RECOMMENDATION:** Policy.

## **DISCUSSION:**

### **OUTSIDE AUDIT**

Your Board, in accordance with statutory requirements contracted with the independent auditing firm of Lutz, Law & Erlbaum to conduct the annual audit of BEACON. That audit is complete and a copy thereof is attached. Staff recommends your Board approve the audit and provide policy guidance as you deem necessary.

### **ACCOUNTING ACTIONS**

The Ventura Auditor-Controller has recommended certain accounting actions necessary to comply with standard accounting practice. These recommendations are discussed on the following page. It is recommended you approve these adjustments.

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A California Joint Powers Agency

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**Recommendation #1**

Authorize the Auditor-Controller to make the following adjustments where the fiscal year 2002-03 actual year-end closing figures differ from the fiscal year 2003-04 budget estimates of financing sources, following the guidelines approved January 10, 2003.

1. Should the available financing exceed the financing requirements, the excess shall first be applied to increase Contingency Appropriation, but not to exceed 15 percent of the total appropriations as provided by Government Code section 29084 and the remaining excess be applied as a provision for increase in the Designation for Subsequent Year Financing.
2. Should the financing requirement exceed available financing, reduce the Contingency Appropriations. If available financing is still inadequate, the Executive Director will make recommendations to the Board to balance the budget.

Discussion:

The fiscal year 2003-04 budget was approved prior to the availability of actual fiscal year 2002-03 year-end numbers including fund balance. The above action authorizes correction to the beginning budgetary fund balance for fiscal year 2003-04 with a \$32 increase of fund balance and contingency appropriations. The increase is based on fiscal year 2002-03 actual closing and audited fund balance.

**Recommendation #2**

Authorize the Auditor-Controller to make the accounting entries necessary to adjust Fiscal Year 2003-04 estimated revenue and appropriations as follows:

DECREASE Grant Revenue	\$3,329
DECREASE Services and Supplies	\$3,329

The adjustments include revenue of (\$18,584) related to Boating & Waterways, \$14,567 related to National Fish and Wildlife Foundation and \$688 related to Butterfly Beach. The adjustment for expenses includes (\$6,773) related to Other Projects, (\$11,643) to Moffatt & Nichol Engineers/Goleta Beach and \$15,087 to Moffatt & Nichol Engineers/Ventura River. The actual carry-over amounts from Fiscal Year 2002-03 differed from estimated amounts for the budget of Fiscal Year 2003-04 for a net change of \$3,329. In addition, new account numbers have been assigned to various approved budgetary components as provided on the attachments.

**Recommendation #3**

Authorize the Auditor-Controller to reassign projects budgets as they become active from account 2301-Other Projects to separate 23XX accounts to allow cost center accounting.

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